

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of )

1998 Biennial Regulatory Review - )  
Testing New Technology )

DOCKET FILE COPY CC Docket No. 98-94  
ORIGINAL

**COMMENTS OF AMERITECH**

In the Notice of Inquiry, the Commission correctly noted that it currently maintains a large number of rules that impact testing and deployment of new technologies and services, and that these rules present significant potential for regulatory lag which discourages these desirable activities.<sup>1</sup> Given the mandate of Section 706 of the 1996 Telecommunications Act to "encourage the deployment on a reasonable and timely basis of advanced telecommunications capability to all Americans",<sup>2</sup> the thrust of the Notice is both appropriate and timely. The Notice clearly recognizes the powers conferred by Sections 10 and 11 of the Act;<sup>3</sup> Ameritech fully supports the Commission's judicious exercise of these powers in this effort to fulfill its statutory obligation, and offers the following specific comments.

Prior to the adoption of the Notice, the Commission had already amassed a substantial record upon which it can act in furtherance of its objectives in this matter. For example, the pending inquiry into the current relevance and need for its Computer

<sup>1</sup> In the Matter of 1998 Biennial Regulatory Review - Testing New Technology, CC Docket No. 98-94, Notice of Inquiry, rel. June 11, 1998 (hereinafter "Notice"). ¶¶ 5-6.

<sup>2</sup> Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (hereinafter "Act"), § 706 (hereinafter "Section 706").

Inquiry regime and related ONA and CEI requirements<sup>4</sup> has squarely raised the question of whether these regulations effectively “chill” innovation in telecommunications services and technologies. Ameritech’s Comments in that proceeding demonstrated that Section 251 of the 1996 Act has eliminated the need for the “fundamental unbundling” envisioned at the time the ONA requirements were crafted, and that the existing CEI Plan requirements should be eliminated because they needlessly delay the introduction of new services, burden the Commission’s limited resources and discourage innovation.<sup>5</sup> Similarly, the pending RBOC Petitions for relief under Section 706<sup>6</sup> clearly demonstrate that applying the Act’s unbundling, resale and interLATA obligations to advanced telecommunications capability discourages the investment required to widely deploy such capability.

In addition to supporting the need for deregulatory measures in those contexts, the extensive record in these proceedings shows the need to go beyond the scope of the Notice in this matter, which by its terms is limited to the “testing” and “trial” of new technologies and services. While they are clearly important, these two elements of the

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<sup>3</sup> Notice, ¶¶ 15, 24-5.

<sup>4</sup> In the Matter of Computer III Further Remand Proceeding: Bell Operating Company Provision of Enhanced Services, CC Docket Nos. 95-20, 98-10, Further Notice of Proposed Rulemaking, rel. January 30, 1998, ¶¶ 43-58; 60-65; 78-124.

<sup>5</sup> In the Matter of Computer III Further Remand Proceeding: Bell Operating Company Provision of Enhanced Services, CC Docket Nos. 95-20, 98-10, Comments of Ameritech, filed March 20, 1998 (hereinafter “Computer III Remand Comments”).

<sup>6</sup> Petition of Ameritech Corporation to Remove Barriers to Investment in Advanced Telecommunications Capability, CC Docket No. 98-82 (filed March 5, 1998); Petition of Bell Atlantic For Relief from Barriers to Deployment of Advanced Telecommunications Service, CC Docket No. 98-11 (filed January 26, 1998); Petition of US WEST for Relief from Barriers to Deployment of Advanced Telecommunications Services, CC Docket NO. 98-26 (filed February 25, 1998); Southwestern Bell Telephone Company, Pacific Bell and Nevada Bell Petition for Relief from Regulation Pursuant to Section 706 of the Telecommunications Act 1996 and 47 U.S.C. §160 for ADSL Infrastructure and Service, filed June 9, 1998.

process of deploying new technologies and services are by no means the only steps that should be subject to reduced regulation.

As aptly observed in the Notice, “(i)n the last few decades, the telecommunications industry has experienced radical changes in its technologies, services and markets.” This accelerating trend will undoubtedly increase, and the potential for regulatory “drag” on new services and technologies -- at all phases of development, testing and deployment of new technologies and services -- will escalate, and minimizing time-to-market will be increasingly critical to commercial success. Simply minimizing the impact of regulation on testing, without minimizing its impact on the rest of the deployment process, will do little to relieve the chilling effect on innovation. As a concrete example, eliminating regulatory barriers to market trials of enhanced services would be of little impact if a CEI Plan still takes ten months.<sup>7</sup>

Ameritech submits that only deregulation -- rather than “creat(ing) an alternative regulatory regime”<sup>8</sup> -- across the entire breadth of activities comprising new service development, testing, introduction and deployment, will expedite the availability of new services and technologies to all Americans. The Commission has the authority

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<sup>7</sup> As detailed in Ameritech’s Comments in the CI-III remand proceeding, Ameritech’s CEI Plan for Electronic Vaulting Service – although it was unopposed by any party in the public comment cycle – was approved without condition or modification, after ten months. Computer III Remand Comments, at 8.

<sup>8</sup> Notice, ¶ 18.

under Sections 10 and 706 of the Act to implement true deregulatory measures, as well as a record upon which it can base such measures from both legal and policy perspectives. Upon this basis, broad and timely action is not only justified but also required.

Respectfully submitted,

A handwritten signature in cursive script, reading "Frank M. Panek".

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